

US EXECUTIVE APPROVAL FORM

GAF Materials Corporation

HQAPP Requests:

1. 65% worst case blended discount for programs listed below, including 2003 ebus. Professional User 2003 @50% discount. Other modules at worst case 75%(including Technology and Prof. External User).
2. Price hold for the programs in the Ordering doc for 2 years at 75%(w/ the exception of Prof. User 2003 which will be at 50%).
3. Support Cap held flat for 2 additional years and years 4&5 @ 4% cap.

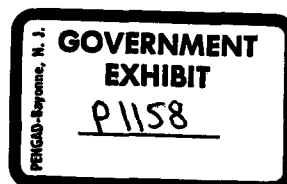
Deal Summary	
Programs	2003 Professional User, Professional User external, Trade Management, Quoting, Incentive Comp, Advanced Pricing, OM & AP Electronic orders, Release Management, Configurator, istore, Warehouse Management, Transportation, Adv. Supply Chain Planning, Inventory Optimization, , Global order to promise, demand planning, collaborative planning, irpo, isupplier portal, sourcing, manufacturing scheduling, EAM, Field Service, Scripting, Mobile Field Service, ireceivables, iexpense, Mobile Financials, HR Self Service, OCO, Tutor, Tutor for Self Service, ilearning, Financial Analyzer, Express, Database EE, 9ias EE
License Discount	65% blended (ebiz + 25% for Prof. User 2003), (ebiz + 50% for other)
Support Discount	65% blended (ebiz + 25% for Prof. User 2003), (ebiz + 50% for other)
Support Options/Holds	2 years additional flat, years 4 & 5 @ 4% cap
Price Holds	Prof. User 2003 @ 50%, and all other Programs in ordering document @75% for 2 years
List License	\$4,283,870
List Support	\$942,451
Net License	\$1,420,785
Net Support	\$312,573
Net Total Price	\$1,733,358
Price List Used	March 24, 2003

Justification:

1. Request # 1 justification:

- Peoplesoft basing their pricing on revenue and number of employees of GAF, which is a \$1.4B manufacturer with 3,500 employees. Peoplesoft pricing is aggressive to win the business. A partner told us that they offered 0% financing on top of everything else.
- The CIO has laid out a 3 year plan for bringing new software into the company and wants the value of this plan reflected in the discounts applied in the first phases(Financials & Req. to Pay) of the project(our current proposal).
- Peoplesoft is playing up their installation at GAF's competition and our pricing needs to be in line with Peoplesoft's offering.
- GAF is a low margin roofing shingle manufacturer.
- Professional User external approved at 75% is justified based upon their 2,700 Contractors and distributors will only be accessing Partners Online functionality in the Suite.
- The customer will be presented a \$9.9M list/\$3.86M net license at a blended discount of 61%.

2. Request # 2 justification



- Order Management, Manufacturing, and CRM will definitely be required, but they are savvy buyers and don't want to pay support while implementing the first phases. The price hold will allow us to show good faith toward the CIO's 3 year plan, as well as, offer additional incentive versus Peoplesoft.
- Peoplesoft is not asking for additional revenue unless GAF grows their business. They are also presenting a much simpler revenue based pricing model versus our almost 20 different metrics. Aggressive Price holds will help us counter customer displeasure with our pricing model.
- Even at the 75% discount, future business could amount to a total of an additional \$3.3M over the next 2 years if we can win the first phase from Peoplesoft. GAF's business is very much based upon VPA's. Giving a larger discount as they buy more product in the future is how they deal with their customer base("tiered pricing").

3. Request # 3 justification

- GAF has expressed great concern over our 22% for support. They have successfully negotiated support costs with other software vendors in the past to as low as 15%. Their business requires that they control on-going costs. The support concessions will allow us to at least show some movement on what is one of their biggest issues.

Recommendation:

Approve.

Submitted By: Patrick Doyle,ASM; Reed Overby, RM;Amit Singh, Boucher

R: 05/12/03

C: 05/12/03

L: 05/12/03

A: 05/12/03

BP: swong